

May 22, 2006

**VIA FEDERAL EXPRESS**

Mr. Michael Massey  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

Re: San Fernando Valley / North Hollywood, California  
11600 Sherman Way

Dear Mr. Massey:

This letter responds to the United States Environmental Protection Agency's ("EPA") March 28, 2006, request for information pursuant to Section 104(e) of CERCLA (the "current Section 104(e) Request"), sent to Honeywell International Inc. ("Honeywell"), concerning the site on Sherman Way in the North Hollywood Operable Unit at which Honeywell's predecessor in interest conducted manufacturing operations (the "Facility"). As previously agreed, with this letter Honeywell provides responses to sixteen of the thirty-three requests. Honeywell will provide additional information in response to remaining requests in a follow-up response.

As an initial matter, Honeywell notes that, over approximately the past two decades, it and its predecessors have provided voluminous information regarding the Facility to the EPA. This information has included responses to several prior Section 104(e) requests, including letter requests dated August 19, 1987 (with responses dated October 15, 1987, and June 20, 1988), April 17, 1991 (with a response dated June 27, 1991), May 22, 1992 (with a response dated July 21, 1992, and a supplemental response dated September 17, 1992), and April 18, 1995 (with a response dated July 20, 1995). The EPA also has been provided information in the form of responses to discovery requests in connection with lawsuits concerning the Facility, including through responses to written interrogatories propounded in the action captioned *U.S. v. AlliedSignal, Inc.*, et al., (Case No. 93-6490; U.S. District Court, Central District of California). Honeywell has provided further information regarding the Facility in other forms as well, such as through regular groundwater monitoring reports, presentations to the EPA, and responses to other EPA letter requests for information (e.g., a response to a request for technical information from Mr. Dennis Dickerson dated March 9, 2001).

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In light of Honeywell's history of providing substantial information and data regarding the Facility, it is Honeywell's understanding that most of the information sought by the current Section 104(e) Request has previously been provided to the EPA. Honeywell is in the process of reviewing the various sources of information that have been disclosed in the past, determining what information sought by the current Section 104(e) Request already is in the possession of the EPA, and collecting additional appropriate information. In the responses set forth below, Honeywell has made a good faith effort to provide the information sought or to direct the EPA to previously provided sources of information relevant to the request. Honeywell's efforts to collect responsive information is ongoing, however, and Honeywell reserves the right to supplement the responses below as the review process continues.

Moreover, Honeywell makes the following objections to and general points with respect to the current Section 104(e) Request:

A. Honeywell generally objects to the current Section 104(e) Request to the extent that it seeks information or documents protected from discovery by the attorney-client privilege, the attorney work product doctrine, the joint defense or common interest privilege, the self-evaluative privilege, or any other applicable privilege or doctrine. Nothing contained in these objections or the responses below is intended as, or shall in anyway be deemed as, a waiver of privilege. Honeywell further objects to the current Section 104(e) Request to the extent that it seeks confidential or proprietary business information of Honeywell or confidential settlement information.

B. Honeywell generally objects to the current Section 104(e) Request to the extent that it seeks information and/or documents not in the possession, custody, or control of Honeywell.

C. Honeywell generally objects to the current Section 104(e) Request to the extent that it is overbroad, unduly burdensome, not reasonably calculated to lead to the discovery of admissible evidence or information necessary or useful to EPA's investigation, or beyond the authority provided in CERCLA Section 104(e).

D. Honeywell generally objects to the current Section 104(e) Request to the extent that it seeks information that may be derived or ascertained from documents already within the knowledge, possession or control of the EPA.

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E. As noted above, this response reflects a diligent search of Honeywell's records, but no representation is made that all such records have been located and searched. Honeywell reserves the right to supplement this response in the event that it locates additional responsive non-privileged documents or information, but does not assume the obligation to do so.

F. In certain instances below, where documents contain the information sought by the current Section 104(e) Request, Honeywell has directed the EPA to attached documents rather than providing answers in a narrative form.

G. Honeywell requests confidential treatment for all nonpublic documents (designated as "confidential" on the documents) provided in response to the current Section 104(e) Request. The period of time for which confidential treatment is desired is indefinite. To the best of our understanding, Honeywell has not disclosed the information for which confidential treatment is requested, except to agents and employees and others under obligation to keep such information confidential, and has guarded the confidentiality of this information by retaining it within secure storage facilities. The reason for this request is that the information may contain trade secrets or other proprietary information and may be protected under confidentiality agreements with other entities. Honeywell asserts that disclosure of its confidential information may result in substantial harmful effects on its competitive position.

Notwithstanding the foregoing background and objections, and preserving and without waiving the objections, Honeywell responds to the current Section 104(e) Request, incorporating each of the above objections, as follows. The number for each request repeated below corresponds to the number of the request as it appears in the current Section 104(e) Request.

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**1. State the full legal name, address, telephone number, position(s) held by, and tenure of the individual(s) answering any of the questions below on behalf of Honeywell International Inc. (the "Company").**

For purposes of these responses, the following person has provided the information necessary by reviewing documents and information available to the company:

Benny Dehghi  
Honeywell Remediation Manager  
2525 West 190th Street  
Torrance, California 90505  
(310) 512-2296

Tenure: Mr. Dehghi has been involved with environmental issues related to the Facility since late 1993.

**5. Explain the Company's present operational status (e.g., active, suspended, defunct, merged, or dissolved).**

Honeywell is an active corporation, although it currently does not perform any business activities at the Facility.

**6. Provide the date the Company was incorporated, formed, or organized. Identify the State in which the Company was incorporated, formed, or organized.**

Honeywell, which was originally incorporated on May 13, 1985, in the State of Delaware under the name East/West Newco Corporation, filed a restated certificate of incorporation in the State of Delaware renaming itself Honeywell International Inc. on April 25, 2005. Honeywell's Restated Certificate of Incorporation is provided in response to this request. In addition, Honeywell provides a brief history of the company, which includes a description of its evolution over time and the "AlliedSignal Connection." See Exhibit 6.

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**7. Identify the business structure (e.g., sole proprietorship, general partnership, limited partnership, joint venture, or corporation) under which the Company currently exists or operates and identify all former business structures under which it existed or operated since its inception.**

Honeywell is an active public corporation. With respect to operations at the Facility, Bendix Corporation occupied the Facility from 1941 to 1983. Allied Corporation acquired the Bendix Corporation in 1983. In 1985, Allied Corporation combined with the Signal Companies to form AlliedSignal Inc. Principal operations at the Facility were manufacturing of hydraulic and pneumatic valves and involved equipment testing, painting, and plating processes. Principal Facility operations were maintained until 1992. AlliedSignal Inc. ceased operations in 1992, and Facility improvements were demolished in 1993. In 2000, AlliedSignal Inc. merged with Honeywell Inc. and the new company eventually was identified as Honeywell International Inc. For additional background information, Honeywell provides the attached Affidavit of Thomas D. Kent, dated August 18, 1988. *See* Exhibit 7.

**8. For each business structure under which the Company has existed or operated at the Facility since its inception, provide the corresponding dates that it existed or operated under that business structure, the name(s) it used, and the Facility addresses at which it operated or was otherwise located.**

Please see response to request number 7 above.

**9. Provide a copy of the articles of incorporation, partnership agreement, articles of organization, or any other documentation (together with any amendments) demonstrating the particular business structure under which the Company has existed or operated since its inception.**

Exhibit A to the Restated Certificate of Incorporation of Honeywell International Inc., which is provided in response to these requests (*see* Exhibit 6), describes the business structure of the company.

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**10. If the Company is or was operating under a fictitious business name, identify the fictitious name and the owner(s) of the fictitious name, and provide a copy of the Fictitious Business Name Statement filed with the county in which the Company is or was doing business.**

Honeywell is unaware of any operations conducted at the Facility under a fictitious business name.

**11. Identify and explain any and all sales of the Company's assets if the sale represented a sale of substantially all of the Company's assets.**

Please see response to request number 7 above. Additionally, with respect to the Facility itself, a portion of the Facility was sold to Home Federal Savings in 1965, which now is occupied by Kaiser Permanente. The remaining portion of the Facility was subdivided into Eastern and Western parcels. The Eastern parcel was sold to Home Depot in 1995, and the Western parcel was sold to Public Storage in 1997.

**12. Identify and explain any investments by the Company in other businesses, companies, or corporations equating to 5% or more of that other business, company, or corporation from the formation of the Company to the present.**

Honeywell is aware of no such investments relevant to the Facility.

**13. List the names, titles, telephone number(s), and current or last known addresses of all individuals who are currently or were officers and/or owners of the Company during any time that the Company owned or operated the Facility, regardless of the business structure under which the Company is or was operated. Provide documentation of both the percentage of each individual's current or former ownership interest in the Company and the time period(s) during which he/she held this ownership interest.**

As noted in response to request number 7 above, operations at the Facility were conducted over many years, beginning in 1942, through public companies. The scope of this request is unclear (particularly in light of the fact that Honeywell is a publicly owned company), and any attempt to determine the names and contact information for all prior officers over time would be unduly burdensome and time consuming. Honeywell has included in its production of documents a current list of its Board of Directors, which

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includes its senior officers. *See* Exhibit 13. Prior to searching for and providing additional information, if any, that the EPA seeks from this request, Honeywell requests the opportunity to discuss this request with the EPA to determine an appropriate scope for the request.

**14. Provide the dates that the Company, under any of its current or former business structures, operated at the Facility.**

Please see responses to request numbers 7 and 11 above.

**15. For any period of time in which the Company, under any of its current or former business structures, operated at, but did not own, the Facility, provide the name, address, and phone number of the Facility's owner. Provide a copy of each lease, rental agreement, or any other document that establishes the Company's relationship to the real property owner during the Company's occupancy of the Facility.**

During the time of operation, Honeywell or its predecessors were the owners of the Facility.

**18. Describe the size of the Facility, the approximate number of people employed by the Company, and the product(s) manufactured or services performed by the Company. Describe any significant change in Facility size, the number of employees, or the products manufactured over time.**

In response to prior Section 104(e) requests, Honeywell provided maps and other background documents that reflect the size of the facility and the products manufactured at the facility. For example, Honeywell directs the EPA to the responses to the Section 104(e) request dated August 19, 1987, including attachment numbers 2, 6, and 7 (maps of the facility that reflected its size and the buildings located at the Facility), and attachment 8 (a series of reports by Leighton and Associates from the 1980's concerning the assessment of storage tanks formerly present at the Facility that include maps and a description of operations). Honeywell also directs the EPA to the response to interrogatory number 4 propounded in the action captioned *U.S. v. AlliedSignal, Inc.*, et al., (Case No. 93-6490; U.S. District Court, Central District of California), which describes activities at a portion of the Facility. Additionally, as noted in response to request number 7 above, Facility improvements were demolished in 1993.

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Honeywell continues to review historical documents related to the Facility and information previously provided to the EPA for information responsive to this request and will supplement its response with additional non-privileged responsive information it locates following that investigation that has not previously been provided to the EPA, if any.

**19. Provide a scaled map of the Facility which includes the locations of significant buildings and features. Indicate the locations of any maintenance shops, machine shops, degreasers, liquid waste tanks, chemical storage tanks, and fuel tanks. Provide a physical description of the Facility and identify the following:**

- a. **Surface structures (e.g., buildings, tanks, containment and/or storage areas, etc.)**
- b. **Subsurface structures (e.g., underground tanks, sumps, pits, clarifiers, etc.);**
- c. **Groundwater and dry wells, including drilling logs, date(s) of construction or completion, details of construction, uses of the well(s), date(s) the well(s) was/were abandoned, depth to groundwater, depth of well(s) and depth to and of screened interval(s);**
- d. **Past and present stormwater drainage system and sanitary sewer system, including septic tank(s) and subsurface disposal field(s);**
- e. **Any and all additions, demolitions or changes of any kind to physical structures on, under or about the Facility or to the property itself (e.g., excavation work), and state the date(s) on which such changes occurred; and**
- f. **The location of all waste storage or waste accumulation areas as well as waste disposal areas, including but not limited to dumps, leach fields, and burn pits.**

As noted in response to request number 18 above, the EPA previously was provided maps and other background documents regarding the buildings and other structures at the former facility. Honeywell directs the EPA to the responses to the Section 104(e) request dated August 19, 1987, including attachment numbers 2, 6, and 7, which included maps of the facility that reflected its size and the buildings located at the Facility.

Honeywell continues to review historical documents related to the Facility and information previously provided to the EPA for information responsive to this request and will supplement its response with additional non-privileged responsive information it



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locates following that investigation that has not previously been provided to the EPA, if any.

- 24. Identify, and provide the following information for, all groundwater wells that are located at the Facility:**
- a. A map with the specific locations of the Facility groundwater wells;**
  - b. Date the Facility groundwater wells were last sampled;**
  - c. List of all constituents which were analyzed during groundwater sampling events; and**
  - d. All groundwater sampling results, reports of findings, and analytical data.**

Since the 1980's, activities at the site have included phased investigation and soil remediation efforts with oversight by the Regional Water Quality Control Board. Included in these efforts was the installation of a monitoring well (W-1) in the southeast corner of the Facility. Background regarding the installation of that groundwater monitoring well is contained in a report issued by Leighton and Associates included in attachment 8 to the responses to the Section 104(e) request dated August 19, 1987. The results of that monitoring well were provided to the RWQCB, and, based on the test results, the RWQCB approved the abandonment and closure of that well in 1988.

Thirteen groundwater monitoring wells were installed at the Facility from 1991 to 2004 to monitor water levels, hexavalent chromium concentrations, and VOC concentrations. Between November 2004 and May 2005, four "off-site" wells were installed. The location of these wells and results of the groundwater monitoring have been reported in regular reports provided to the RWQCB and the EPA. A recent groundwater monitoring report was provided on January 13, 2006. If the EPA believes that it is missing any reports regarding groundwater activities that Honeywell has provided over the years, Honeywell will provide additional copies.

Honeywell continues to review historical documents related to the Facility and information previously provided to the EPA for information responsive to this request and will supplement its response with additional non-privileged responsive information it locates following that investigation that has not previously been provided to the EPA, if any.

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**25. Identify all insurance policies held by the Company from the time it commenced ownership of or operations at the Facility until the present. Provide the name and address of each insurer, the policy number, the amount of coverage and policy limits, the type of policy, and the expiration date of each policy. Include all comprehensive general liability policies and "first party" property insurance policies and all environmental impairment insurance. Provide a complete copy of each policy.**

Honeywell directs the EPA to the response to request number 8 contained within the Section 104(e) request dated August 19, 1987, in which AlliedSignal Inc. identified insurance policies that may have provided coverage for claims relating to environmental matters at that time. However, as of the date of this response to the current Section 104(e) Request, Honeywell is unaware of any insurance policy that may provide coverage for environmental issues related to the Facility.

\* \* \*

Please contact me at (213) 243-4222 if you have any additional questions regarding these particular responses.

Sincerely,



Sean Morris

cc: Benny Dehghi



# Delaware

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*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "HONEYWELL INTERNATIONAL INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF APRIL, A.D. 2005, AT 2:05 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



2061772 8100

050331163

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3834558

DATE: 04-25-05

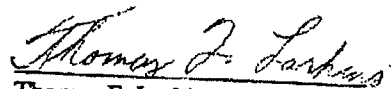
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Restated Certificate of Incorporation  
of  
Honeywell International Inc.

Honeywell International Inc., which was originally incorporated in the State of Delaware on May 13, 1985, under the name of East/West Newco Corporation (the "Corporation"), hereby certifies that this amended and restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware. This Restated Certificate of Incorporation amends, restates and integrates the provisions of the Corporation's certificate of incorporation as hereby amended. The Corporation hereby certifies as follows:

1. The Board of Directors of the Corporation by duly convened meeting of its members declared it advisable to amend the Certificate of Incorporation and adopted resolutions setting forth the proposed amendments in accordance with the applicable provisions of Sections 242 and 245.
2. The aforesaid amendments were duly adopted at an annual meeting of the shareholders in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.
3. The text of the certificate of incorporation as heretofore amended is hereby restated to read in its entirety as Exhibit A attached hereto.

Honeywell International Inc.



Thomas F. Larkins  
Vice President, Corporate Secretary and  
Deputy General Counsel

Dated: April 25, 2005



**Restated Certificate of Incorporation  
of  
Honeywell International Inc.**

Honeywell International Inc., which was originally incorporated in the State of Delaware on May 13, 1985 under the name of East/West Newco Corporation, hereby certifies that this Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware. This Restated Certificate of Incorporation amends, restates and integrates the provisions of the Corporation's certificate of incorporation as hereby amended. The text of the certificate of incorporation as heretofore amended is hereby restated to read in its entirety as follows:

**FIRST:** The name of the corporation is Honeywell International Inc.

**SECOND:** The address of the registered office of the corporation in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington. 19808 County of New Castle. The name of its registered agent at that address is Corporation Service Company.

**THIRD:** The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code.

**FOURTH:** The total number of shares of stock which the corporation shall have authority to issue is 2,040,000,000 shares of which 2,000,000,000 shares shall be Common Stock, par value \$1.00 per share ("Common Shares"), and 40,000,000 shares shall be Preferred Stock, without par value ("Preferred Stock").

**FIFTH:** From time to time the corporation may issue and may sell its authorized shares for such consideration per share (with respect to shares having a par value, not less than the par value thereof), either in money or money's worth of property or services, or for such other considerations, whether greater or less, now or from time to time hereafter permitted by law, as may be fixed by the Board of Directors; and all shares so issued shall be fully paid and nonassessable.

No holder of any shares of any class shall as such holder have any preemptive right to subscribe for or purchase any other shares or securities of any class, whether now or hereafter authorized, which at any time may be offered for sale or sold by the corporation.

Each holder of record of the Common Shares of the corporation shall be entitled to one vote for every Common Share standing in his name on the books of the corporation.

The corporation may issue Preferred Stock from time to time in one or more series as the Board of Directors may establish by the adoption of a resolution or resolutions relating thereto, each series to have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors pursuant to authority to do so, which authority is hereby granted to the Board of Directors.

**SIXTH:** The duration of the corporation is to be perpetual.

**SEVENTH:** Except as otherwise provided pursuant to the provisions of this Certificate of Incorporation relating to the rights of certain holders of Preferred Stock to elect additional Directors under specified circumstances, the number of Directors of the corporation shall be determined from time to time in the manner described in the By-laws. The Directors, other than those who may be elected by the holders of Preferred Stock pursuant to this Certificate of Incorporation, shall be elected by the holders of the then outstanding shares of capital stock of the

corporation entitled to vote generally in the election of Directors (the "Voting Stock"), voting together as a single class, and shall hold office until the next annual meeting of stockholders and until their successors have been elected and qualified. Directors serving on April 25, 2005 shall hold office until the next succeeding annual meeting of stockholders and until their successors shall have been elected and qualified, notwithstanding that such directors may have been elected for a term that extended beyond the date of such annual meeting of stockholders. No Director need be a stockholder.

Except as otherwise provided pursuant to this Certificate of Incorporation relating to the rights of certain holders of Preferred Stock to elect Directors under specified circumstances, newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board of Directors, or by a sole remaining director. Any Director elected in accordance with the preceding sentence shall hold office until the annual meeting of stockholders at which the term of office of the class to which such Director has been elected expires, and until such Director's successor shall have been elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

Subject to the rights of certain holders of Preferred Stock to elect Directors under circumstances specified in this Certificate of Incorporation, Directors may be removed from office, with or without cause, by the affirmative vote of the holders of a majority of the Voting Stock, voting together as a single class.

**EIGHTH:** The By-laws of the corporation may contain provisions, not inconsistent with law or this Certificate of Incorporation, relating to the management of the business of the corporation, the regulation of its affairs, the transfer of its stock, the qualifications, compensation and powers and duties of its Directors and the time and place and the manner of calling the meetings of its stockholders and Directors.

The Board of Directors may from time to time fix, determine and vary the amount of the working capital of the corporation, may determine what part, if any, (i) of its surplus or (ii) in case there shall be no such surplus, of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year shall be declared as dividends and paid to the stockholders, may determine the time or times for the declaration and payment of dividends, the amount thereof and whether they are to be in cash, property or shares of the capital stock of the corporation and may direct and determine the use and disposition of any surplus over and above the capital of the corporation.

The Board of Directors may from time to time make, amend, supplement or repeal the By-laws; provided, however, that the stockholders may change or repeal any By-law adopted by the Board of Directors.

The Board of Directors shall, except as otherwise provided by law, this Certificate of Incorporation or the By-laws, exercise the powers of the corporation.

Pursuant to the By-laws, an Executive Committee and/or one or more other committees may be appointed from among the Directors or otherwise, to which may be delegated any of or all the powers and duties of the Board of Directors, to the full extent permitted by law.

Except as otherwise required by law and subject to the rights of the holders of Preferred Stock pursuant to the provisions of this Certificate of Incorporation, special meetings of stockholders may be called only by the Chief Executive Officer or by the Board of Directors pursuant to a resolution approved by a majority of the then authorized number of Directors of the corporation (as determined in accordance with the By-laws).

No contract or other transaction of the corporation shall be void, voidable, fraudulent or otherwise invalidated, impaired or affected, in any respect, by reason of the fact that any one or more of the officers, Directors or stockholders of the corporation shall individually be party or parties thereto or otherwise interested therein, or shall be officers, directors or stockholders of any other corporation or corporations which shall be party or parties thereto or otherwise interested therein; provided that such contract or other transactions be duly authorized or ratified

by the Board of Directors or Executive Committee, with the assenting vote of a majority of the disinterested Directors or Executive Committeemen then present, or, if only one such is present, with his assenting vote.

NINTH: No stockholder action may be taken except at an annual or special meeting of stockholders of the corporation and stockholders may not take any action by written consent in lieu of a meeting.

TENTH: Unless required by law or demanded by a stockholder of the corporation entitled to vote at a meeting of stockholders or determined by the chairman of such meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or his proxy if there be such proxy, and shall state the number of shares voted by such stockholder or proxy.

ELEVENTH: (1) *Elimination of Certain Liability of Directors.* A Director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the Director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article ELEVENTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Section by the stockholders of the corporation shall not adversely affect any right or protection of a Director of the corporation existing at the time of such repeal or modification.

(2) *Indemnification and Insurance.*

(A) *Right to Indemnification.* Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director, officer or employee of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee or agent or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said Law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; *provided, however,* that, except as provided in paragraph (B) hereof with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"); *provided, however,* that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a Director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the corporation of an undertaking (hereinafter, an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section or otherwise, and, *provided further,* that an advancement of expenses incurred by an employee other than a Director or officer in advance of the final disposition of a proceeding shall be made, unless otherwise determined by the Board of Directors, only upon delivery to the corporation of an



undertaking by or on behalf of such employee to the same effect as any undertaking required to be delivered by a Director or officer.

(B) *Right of Indemnitee to Bring Suit.* If a claim under paragraph (A) of this Section is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Section or otherwise shall be on the corporation.

(C) *Non-Exclusivity of Rights.* The rights to indemnification and to the advancement of expenses conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, By-law, agreement, vote of stockholders or disinterested Directors or otherwise.

(D) *Insurance.* The corporation may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(E) *Indemnification of Agents of the Corporation.* The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any agent of the corporation to the fullest extent of the provisions of this Section with respect to the indemnification and advancement of expenses of Directors, officers and employees of the corporation.

TWELFTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

# Honeywell

## Our History



In 2002, David M. Cote was named Chairman and CEO of Honeywell. Under his leadership the company focuses on five key initiatives: Growth, Productivity, Cash, People and the Enablers, Honeywell Operating System and Functional Transformation, in order to strengthen Honeywell's position as one of the world's leading enterprises in the new millennium.

Honeywell can trace its roots back to 1885, when an inventor named Albert Butz patented the furnace regulator and alarm. He formed the Butz Thermo-Electric Regulator Co., Minneapolis, on April 23, 1886, and a few weeks later invented a simple, yet ingenious device that he called the "damper flapper."

Here's how it worked. When a room cooled below a predetermined temperature, a thermostat closed the circuit and energized an armature. This pulled the stop from the motor gears, allowing a crank attached to the main motor shaft to turn one-half revolution. A chain connected to the crank opened the furnace's air damper to let in air. This made the fire burn hotter. When the temperature rose to the preset level, the thermostat signaled the motor to turn another half revolution, closing the damper and damping the fire. The temperature correction was automatic. Over the years, many Honeywell products have been based upon similar, but more complicated closed-loop systems.

The Consolidated Temperature Controlling Co. incorporated, acquired Butz's patents and business, and by 1893, had renamed itself Electric Heat Regulator Co. The first company ads ran in 1895 featuring the now famous thermostat. In 1898, the company was purchased by W. R. Sweatt, who, by 1916, had changed the name of the company to Minneapolis Heat Regulator Company, expanded its product line and patented the first electric motor approved by Underwriters Laboratories.

**1886**



**Damper Flapper**

### Meanwhile, in Wabash, Indiana ...

Meanwhile, in 1904 a young engineer named Mark Honeywell, was perfecting the heat generator as part of his plumbing and heating business. Two years later, he formed the Honeywell Heating Specialty Co, incorporated, specializing in hot water heat generators.

By 1912, EHR had expanded its product line and changed its name to Minneapolis Heat Regulator Company (MHR). Four years later, MHR patented the first electric motor approved by Underwriters Laboratories.



**Minneapolis Heat Regulator Company**

### The 1927 merger

In 1927, Minneapolis Heat Regulator Company and Honeywell Heating Specialty Co. merged to form the Minneapolis-Honeywell Regulator Co., and became the largest producer of high-quality jeweled clocks. W. R. Sweatt became chairman and Mark Honeywell, president. The company made several acquisitions in the controls area. One of those acquisitions was the Brown Instrument Co., a worldwide leader in the field of industrial controls and indicators, and inventor of the pyrometer. Until Edward Brown had invented the carbon-rod pyrometer in the mid-nineteenth century, there was no accurate way to measure the extremely high temperatures in foundries and kilns.

### Business around the world

Minneapolis-Honeywell Regulator Co. had long been selling its products around the world through distributors like Yamatake Trading Company in Japan. In 1934, the company acquired Time-O-Stat Controls Corporation and began a long history of global expansion. The first office outside the U.S. was established in Toronto, Canada. Its first European subsidiary was established in the Netherlands the same year, and, within a few years, offices were opened in London and Stockholm. By 1941, it had distributors in Chile, Panama, Trinidad, New Zealand, Argentina and South Africa. By 1972, it operated 25 wholly owned subsidiaries, 142 branch offices, and joint ventures in five countries outside the U.S. In 1993, the company opened affiliates in Abu Dhabi, China, Oman, Romania and the Ukraine. By 1998, Honeywell had operations in 95 countries through 83 wholly owned subsidiaries and 13 joint ventures.

### Products, developments and acquisitions

Minneapolis-Honeywell Regulator Co. leveraged its scientific and engineering talent to transform itself and adapt to changing times. Mass production was perfected and an array of aeronautical equipment broadened the company's product portfolio. In 1942, the company invented the electronic autopilot (C-1), which proved to be critically important to the U.S. war effort.

**1953**



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In 1953, the company introduced the T-86 "Round" thermostat, which replaced chunky, rectangular models. One of the world's most recognizable designs, it remains in production today and adorns the walls of more households around the world than any other thermostat.

In 1954, the company acquired Doelcam Corp., a maker of gyroscopes. Over the next two decades, the company constantly improved gyroscopes, making them more sensitive and precise while reducing their size and weight. In 1955, a joint venture called Datamatic Corporation, was established with Raytheon Corp. that marked Honeywell's entry into the computer business. The company's first computer system, the D-1000, weighed 25 tons, took up 6,000 square feet and cost \$1.5 million.

1957



Protected by Honeywell

In 1957, Minneapolis-Honeywell Regulator Co. purchased a fire detection and alarm firm, the first of many acquisitions that would build its security business into today's global leader. In many North America cities, the red and black "Protected by Honeywell" window stickers and placards became nearly as recognizable as the Round thermostat.

Raytheon's interest in the computer venture was bought out in 1960 and the business name changed to Electronic Data Processing (EDP).

The company's name was officially changed to Honeywell Inc. in 1963, even though it had been casually referred to as such for nearly 40 years. Six years later, Honeywell instruments helped U.S. astronauts Neil Armstrong and Edwin "Buzz" Aldrin land on the moon.

In 1970, Honeywell merged its computer business with General Electric's to form Honeywell Information Systems, which performed well in mainframe markets. In 1986, the personal computer emerged and the company formed Honeywell Bull, a global joint venture with Compagnie des Machines Bull of France and NEC Corporation of Japan. Its ownership level was gradually decreased until, in 1991, Honeywell was no longer in the computer business. The digital computer knowledge was then applied to its traditional field of automation control, integrating sensors and activators.

In 1986, Honeywell significantly enhanced its position in the aerospace industry with the purchase of Sperry Aerospace. It instantly became the world's leading integrator of avionics systems. Sperry contributed flight controls, space vehicles and the first FAA-certified wind shear warning system.

1986



Avionics Systems

#### The AlliedSignal Connection

1920



Allied Chemical &amp; Dye

During World War I, Germany controlled much of the world's chemical industry, causing shortages of such commodities as dyes and drugs. In response, in 1920 Washington Post publisher Eugene Meyer and scientist William Nichols formed the Allied Chemical & Dye Corporation as an amalgamation of five American chemical companies established in the 1800s.

In 1928, Allied opened a synthetic ammonia plant near Hopewell, Virginia, becoming the world's leading producer of ammonia.

This was the company's earliest venture into new markets. After World War II, Allied began manufacturing other new products, including nylon 6 (for making everything from tires to clothes) and refrigerants. In 1958, it became Allied Chemical Corp. and moved into its current corporate headquarters in Morristown, New Jersey.

In 1962, Allied bought Union Texas Natural Gas, which owned oil and gas properties throughout the Americas. Allied regarded it mainly as a supplier of raw materials for its chemical products, but this changed in the early 1970s when CEO John Connor (secretary of commerce under Lyndon Johnson) sold many of Allied's unprofitable businesses and invested in oil and gas exploration. By 1979, when Edward Hennessy Jr. became CEO, Union Texas produced 80% of Allied's income.

1962



Union Texas Natural Gas

Under its new name, Allied Corp. (1981), the company went on to purchase the Bendix Corp., an aerospace and automotive company, in 1983. By 1984, Bendix generated 50% of Allied's income, while oil and gas generated 38%.

In 1985, Allied merged with the Signal Companies, adding critical mass to its aerospace, automotive and engineered materials businesses. Founded by Sam Mosher in 1922 as the Signal Gasoline Company, Signal was originally a California company that produced gasoline from natural gas. In 1928, the company changed its name to Signal Oil & Gas, entering into oil production the same year. Signal merged with the Garrett Corporation, a Los Angeles-based aerospace company, and in 1968 adopted the Signal Companies as its corporate name.

1968



The addition of Signal's Garrett division to Bendix made aerospace Allied-Signal's largest business sector. In 1985, the company sold 50% of Union Texas, and in 1986 it divested 35 non-strategic businesses through the formation and spin-off of

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The Henley Group, Inc.

In mid-1991, with a new CEO, Lawrence A. Bossidy, and new leadership in many key businesses, Allied-Signal began a comprehensive program of transformation. Bold actions were taken to improve cash flow and operating margins, to increase productivity, and to position the company as a global competitive force for the years ahead. The Allied-Signal name was changed to AlliedSignal in 1993 to reinforce a one-company image and signify the full integration of all of its businesses.

In 1992, the company sold its remaining interest in Union Texas through a public offering for \$940 million in net proceeds.

Throughout the 90's, Lawrence A. Bossidy led a growth and productivity transformation that quintupled the market value of AlliedSignal shares and significantly outperformed the Dow Jones Industrial Average and the S&P 500.

Honeywell was founded and shaped by inventive technical people and superior leadership. These same values power the new Honeywell. The new Honeywell captures the best of its AlliedSignal and Honeywell Inc. heritage, and is one of the world's leading companies.



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# FX-4: CBI/Trade Secret



# FX-4: CBI/Trade Secret



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# Honeywell

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## Board of Directors

### David M. Cote

Chairman and Chief Executive Officer of Honeywell International Inc.

Mr. Cote has been Chairman and Chief Executive Officer since July 2002. He joined Honeywell as President and Chief Executive Officer in February 2002. Prior to joining Honeywell, he served as Chairman, President and Chief Execu...

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### Gordon M. Bethune

Former Chairman of the Board and Chief Executive Officer of Continental Airlines, Inc.

Mr. Bethune joined Continental Airlines, an international commercial airline company, in February 1994 as President and Chief Operating Officer. He was elected President and Chief Executive Officer in November 1994 and Chairma...

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### Jaime Chico Pardo

Vice Chairman and Chief Executive Officer of Telefonos de Mexico, S.A. de C.V. (TELMEX)

Mr. Chico Pardo joined TELMEX, a telecommunications company based in Mexico City, as its Chief Executive Officer in 1995. Prior to joining TELMEX, Mr. Chico Pardo served as President and Chief Executive Officer of Grupo Condu...

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### D. Scott Davis

Chief Financial Officer of United Parcel Service, Inc. (UPS)

Mr. Davis joined UPS, the world's largest package delivery company and a leading global provider of specialized transportation and logistics services, in 1991 and has served as Senior Vice President, Chief Financial Officer and...

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### Clive R. Hollick

Managing Director, Kohlberg Kravis Roberts & Co. Limited

Lord Hollick is a Managing Director of Kohlberg Kravis and Roberts, a private equity firm, focusing on investments in the media and

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## Related Documents

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financial services sectors. He served as Chief Executive of United Business Media, a London-based...

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**James J. Howard**

Chairman Emeritus of Xcel Energy Inc. (formerly known as Northern States Power Company)

Mr. Howard was Chairman of the Board of Xcel Energy Inc., an energy company, from August 2000 until August 2001. He was Chairman and Chief Executive Officer of Northern States Power since 1988, and President since 1994. Prior ...

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**Bruce Karatz**

Chairman of the Board and Chief Executive Officer of KB Home

Mr. Karatz was elected Chief Executive Officer of KB Home, an international residential and commercial builder, in 1986, and Chairman of the Board in 1993. Mr. Karatz is also a director of Edison International and Avery Dennis...

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**Russell E. Palmer**

Chairman and Chief Executive Officer of the Palmer Group

Mr. Palmer established The Palmer Group, a private investment firm, in 1990, after serving seven years as Dean of The Wharton School of the University of Pennsylvania. He previously served as Managing Director and Chief Execut...

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**Ivan G. Seidenberg**

Chairman and Chief Executive Officer of Verizon Communications Inc.

Mr. Seidenberg assumed his current position with Verizon Communications, a telecommunications and information services provider, in January 2004. Mr. Seidenberg served as President and Chief Executive Officer of Verizon from A...

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**Bradley T. Sheares**

President of U.S. Human Health, Merck & Co., Inc.

Dr. Sheares assumed his current position with Merck & Co. in March of 2001. Prior to that time, he

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served as Vice President, Hospital Marketing and Sales for Merck's U.S. Human Health business. Dr. Sheares joined Merck in 198...

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**Eric K. Shinseki**

General United States Army (Ret.)

General Shinseki served in the United States Army for 38 years, most recently as Chief of Staff from June 1999 until June 2003. Prior to that he held a number of key command positions, including Commander of U.S. Army, Eur...

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**John R. Stafford**

Retired Chairman of the Board of Wyeth

Mr. Stafford served as Chairman of the Board of Wyeth, a manufacturer of pharmaceutical, health care and animal health products, from 1986 until his retirement at the end of 2002. He also served as Chief Executive Officer from...

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**Michael W. Wright**

Retired Chairman, President and Chief Executive Officer of SUPERVALU INC.

Mr. Wright was elected President and Chief Operating Officer of SUPERVALU INC., a food distributor and retailer, in 1978, Chief Executive Officer in 1981, and Chairman of the Board in 1982. He retired as President and CEO in J...

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